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Aquila Networks Canada (Alberta) Ltd.

Amendment to 2002 Transmission Deferral Account Decision 2003-075

November 20, 2003

Alberta Energy and Utilities Board

ALBERTA ENERGY AND UTILITIES BOARD
Decision 2003-091: Aquila Networks Canada (Alberta) Ltd.
Amendment to 2002 Transmission Deferral Account Decision 2003-075
Application No. 1303342

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AMENDMENT TO 2002 TRANSMISSION
DEFERRAL ACCOUNT DECISION 2003-075

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Application No. 1303342
File No. 1900-16

1 INTRODUCTION

In Decision 2003-075[1] dated October 28, 2003, the Alberta Energy and Utilities Board (the Board) approved the 2002 Transmission Deferral Account for Aquila Networks Canada (Alberta) Ltd. (Aquila).

On page 8 of Decision 2003-075 the Board directed:

> ...Aquila to include in its 2002 TDA, only those invoiced amounts which Aquila has actually paid in 2002.

The Board considered that this would add greater clarity to the amounts which were to be included in the 2002 Transmission Deferral Account.

By letter dated November 5, 2003 Aquila advised the Board that:

> ...all amounts included in its 2002 Transmission Deferral Account (TDA) were paid in 2002, with the exception of the December 2002 invoiced amounts from the Transmission Administrator (TA), now the Alberta Electric System Operator (AESO).

2 VIEWS OF AQUILA

Aquila stated that the wording "invoiced or paid in 2002" used in its application was intended to exclude from the Transmission Deferral Account items which would be charged or refunded by the AESO some time after December 2002 (such as the 2001-2002 Article 24 refund which has not yet been received by Aquila), but not to exclude any of the regular monthly TA invoices.

Aquila also noted that parties to the negotiated settlement, which established Aquila's 2001 Transmission Deferral Account, understood the deferral accounts to apply on a calendar year basis. Further, intervenors in Aquila's 2002-2003 Distribution Tariff Application proceeding, which established Transmission Deferral Accounts for 2002 and 2003, also understood that the deferral accounts would apply on a calendar year basis.

Aquila submitted that excluding the December 2002 TA invoiced amounts from the 2002 Transmission Deferral Account would result in an 11-month deferral account, and subsequently "de-synchronizes" the deferral account period from the periods of Aquila's load and cost

[1] Decision 2003-075 – Aquila Networks Canada (Alberta) Ltd. 2002 Transmission Deferral Account dated October 28, 2003

forecasts on which transmission base rates are founded. With a "de-synchronized" deferral account, it would be more difficult to understand and reconcile the different components of the Transmission Deferral Account, Aquila's forecasts, and the AESO's invoices. Additional care would need to be taken to align its accounting records with a now "de-synchronized" regulatory period for the deferral account.

Aquila recommended that the December 2002 invoiced amounts should be included in its 2002 Transmission Deferral Account, and advised that no revisions would be required to the 2002 Transmission Deferral Account as filed.

3 VIEWS OF THE BOARD

After further review of these matters, and based on the additional information and more fulsome explanations provided by Aquila, the Board agrees that the December 2002 invoiced amounts from the TA should be included in the 2002 Transmission Deferral Account.

In the circumstances the Board does not consider that it was necessary to solicit the views of parties on Aquila's submission. In any event, the Board notes that no parties have written to the Board with any concerns on this matter.

Therefore the Board considers that the amounts as presented by Aquila in its 2002 TA Charges Deferral Account correctly portray the amounts that should be included in the 2002 Transmission Deferral Account.

4 ORDER

IT IS HEREBY ORDERED THAT:

(1) The following paragraph at page 8 in Decision 2003-075:

> Given the above considerations, the Board considers it appropriate in the circumstances of the present Application, to approve Aquila's treatment of costs to the end of 2002, subject to the following clarification. Aquila had requested in the Application that the 2002 TDA include "amounts that were actually invoiced or paid prior to the end of calendar year 2002 (and which have not already been dealt with in the previous application)." In the interests of clarity, the Board directs Aquila to include in its 2002 TDA, only those invoiced amounts which Aquila has actually paid in 2002. The Board directs Aquila to advise the Board within 30 days of this Decision, if the effect of this refinement alters the amount of the 2002 TDA applied for in the Application. In the event that the amount of the 2002 TDA as applied for would be different, Aquila shall include the revised amount in the 2002 TDA with consequential changes to approved carrying charges without further approval from the Board, and file the changes with the Board and interested parties for information purposes.

be modified to read:

> Given the above considerations, the Board considers it appropriate in the circumstances of the present Application, to approve Aquila's treatment of costs to the end of 2002 as indicated in the Application.

(2) Any directions related to consequential adjustments to carrying costs or to the net amount to be carried forward into 2003 be struck from the Decision.

Dated in Calgary, Alberta on November 20, 2003.

ALBERTA ENERGY AND UTILITIES BOARD

R. G. Lock, P.Eng.
Presiding Member

B. T. McManus, Q.C.
Member

T. McGee
Member